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Nicaraguans Net \$3,000 From \$220,000 Dinner

April Fund-Raiser Featured Speech by Reagan

By Robert Parry
Associated Press

Nicaraguan refugees got only \$3,000 of the \$219,525 taken in on their behalf at an April fund-raising dinner featuring a speech by President Reagan, according to an internal audit.

The Nicaraguan Refugee Fund, which received White House help in arranging the April 15 event, said costs of the dinner totaled \$218,376, including \$116,938 in consulting fees and \$71,163 to feed the nearly 700 people at the \$250- to \$500-a-plate dinner.

From the dinner and other revenues, the fund spent \$3,000 to ship relief supplies to refugees in Central America.

The audit follows an earlier disclosure that the refugee fund was started a year ago with the secret involvement of the Nicaraguan Democratic Force, or FDN, the largest U.S.-backed rebel army fighting to overthrow Nicaragua's leftist government. Fund officials say no money has gone to the rebels.

According to the fund's internal audit, the dinner's consultant costs included \$13,000 for "fund-raising," \$9,688 for "publicity," \$61,250 for "consultant termination fees" and \$33,000 for "consultant fees."

Michael Schoor, a fund attorney, said the chief reason the dinner did not raise significant amounts for the refugees was the failure of many people to live up to their donation commitments.

"If the outstanding pledges came in, it would be a marvelous success," Schoor said, estimating that those pledges total about \$80,000.

Others involved with the dinner said the largest consultant payment—\$50,000—went to Miner and Fraser Public Affairs Inc. for its work organizing the fund and helping arrange the dinner.

According to an AP story in June, two sources, who insisted on anonymity, said

the refugee fund was started a year ago through a secret agreement between the Miner and Fraser firm and the Nicaraguan Development Council, the FDN's Washington-based corporate arm.

Edie Fraser, president of Miner and Fraser, confirmed the agreement, but said the arrangement was handled by Alvaro Rizo, a

Nicaraguan exile who was working at Miner and Fraser at the time.

Both Rizo, a former diplomat for Nicaragua's late dictator Anastasio Somoza Debayle, and Bosco Matamoros, the FDN's Washington spokesman, denied any formal ties between the refugee fund and the rebel's development council. But Rizo called relations between the groups "very friendly."

According to a July 3, 1984, letter, obtained by the AP, the Miner and Fraser firm urged FDN director Alfonso Callejas to create "a fund-raising campaign for Nicaraguan refugees" that would use the FDN's development council as the "umbrella organization to receive all donations."

Creation of the Nicaraguan Refugee Fund last Sept. 10 followed another fund-raising effort secretly organized by the FDN, using a Panamanian-based corporation, the Human Development Foundation, according to an internal document and a former FDN director, Edgar Chamorro.

Chamorro, who was ousted as an FDN director last November, said the FDN used the Human Development Foundation to place fund-raising appeals for Nicaraguan refugees in major American newspapers in July 1984. But he said those ads were designed less to raise money than to create the impression of private aid going to the rebels and thus conceal Central Intelligence Agency efforts to "launder" funds for the FDN through foreign governments.

CIA spokeswoman Kathy Pherson denied that the CIA had been involved in the fund-raising.

The private fund-raising efforts came after Congress refused Reagan's request for more CIA funds to support the Ni-

caraguan rebels. From 1981 to last year, the CIA spent an estimated \$80 million supplying and directing the rebels. This summer, Congress approved \$27 million in non-lethal aid to the rebels, but barred a CIA role.

In addressing the Nicaraguan Refugee Fund dinner in April, Reagan denounced Nicaragua's six-year-old leftist government as "a communist dictatorship" and praised those at the dinner for helping the refugees.

"While the world was turning away, you were helping," Reagan said. "People like you are America at its best."